



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

The Honorable Joe Barton, Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
2322 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Fred Upton, Ranking Member
Subcommittee on Telecommunications and the Internet
Committee on Energy and Commerce
U.S. House of Representatives
2183 Rayburn House Office Building
Washington, D.C. 20515

Dear Ranking Members Barton and Upton:

Thank you for your letter regarding the digital television transition. Attached please find my answers to your questions. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, which appears to read "Kevin J. Martin", is positioned above the printed name.

Kevin J. Martin
Chairman

1. Chairman Dingell and Chairman Markey sent you a letter in May 2007 asking that the FCC implement consumer education provisions similar to those contained in our January bill. The FCC may currently lack the authority to adopt such provisions under the Communications Act, however, which is what prompted our introduction of H.R. 608. While you have sought public comment on your existing authority to implement consumer education provisions, the pleading cycle is only now closing. If you conclude that you do not have sufficient authority, or if you act and there is a court challenge, it may be too late to grant the FCC the authority to adopt requirements.

a. When do you plan to rule in the proceeding on the consumer education initiative?

Response: The comment period in the Commission's DTV consumer education and outreach proceeding closed on October 1. I have directed Commission staff to expedite its review of the record compiled in the proceeding so that it could draft an order for circulation to the full Commission by the end of the month.

b. If voluntary industry efforts combined with current and ongoing government outreach is not sufficient, do you think it would be wise to begin moving H.R. 608 now to ensure that the FCC has the requisite legal authority in this area?

Response: Legislation to provide additional authority to expand our capabilities and to minimize the likelihood of litigation is always helpful.

2. The FCC's most recent video competition report, issued March 2006, indicated that as of June 2005, only 14 percent of US. television households rely exclusively on over-the-air television. This kind of information is relevant to determining how many people may participate in the converter-box coupon program. The number of exclusively over-the-air homes may be continuing to decline as more people sign up for video services from cable, satellite, and phone companies. Moreover, even exclusively over-the-air households will not need a converter box if they already have digital televisions, something becoming all the more likely now that the FCC requires all television receivers manufactured after March 1 of this year to have digital tuners.

a. When do you expect to release the next video competition report?

Response: I have recently circulated a draft of the next Video Competition Report to my colleagues. We will release it as soon as it is adopted by the full Commission.

b. Will the report indicate not only how many exclusively over-the-air homes there are, but also what percentage of those homes may have digital tuners? Can the FCC

extrapolate that information from data on past purchases of digital televisions and the purchase of all television receivers manufactured after March 1 , 2007, or from other sources?

Response: The draft Video Competition Report indicates that the estimates of the number of television households that rely exclusively on over-the-air television broadcasts to receive video programming vary by source, but all estimates indicate that less than 20 percent of U.S. households rely exclusively on over-the-air broadcasting to receive television. For example, the draft Report cites that Nielsen Media Research ("Nielsen") estimated that as of January 1, 2007, 15.5 million households, or about 14 percent of the 111.4 million total U.S. television households, rely on over-the air television broadcasts for video programming. Nielsen has subsequently updated these statistics and estimates that as of January 1, 2008, 14.3 million households, or about 13 percent of the 112.8 million total U.S. television households, will rely on over-the air television broadcasts for video programming.

The draft Video Competition Report does not include information on the percentage of over-the-air homes that have digital tuners. It is unlikely that the Commission could extrapolate this information regarding the percentage of over-the-air homes that may have digital tuners because the publicly available information on the sale of receivers with digital tuners generally does not provide information on the characteristics of the households purchasing the TV sets. However, I have directed staff to revise the draft Notice of Inquiry for the Fourteenth Annual Competition Report to request specific data on the number of over-the-air households that may already have a television with a digital receiver and will not require a digital-to-analog converter box to continue to receive television programming over-the-air.

c. On what date will the data in the next video competition report be based?

Response: The data used in the Thirteenth Annual Video Programming Competition Report are generally as of June 30, 2006. The draft Notice of Inquiry for the Fourteenth Annual Competition Report currently on circulation requests data as of June 30, 2007.

d. Does the FCC have any plans to estimate the number of homes, as of February 17, 2009, that will neither subscribe to a pay service nor have a television receiver with a digital tuner, since these are the homes that will most need a converter box?

Response: I have directed staff to revise the draft Notice of Inquiry for the Fourteenth Annual Competition Report to request specific information and data that will either provide estimates of, or allow us to estimate, the number of homes that will need digital to analog converter boxes.